

APPENDIX

Revenue Act of 1936, c. 690, 49 Stat. 1648:

SEC. 23. DEDUCTIONS FROM GROSS INCOME.

In computing net income there shall be allowed as deductions:

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(c) *Taxes Generally.*—Taxes paid or accrued within the taxable year except—

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(2) income, war-profits, and excess-profits taxes imposed by the authority of any foreign country or possession of the United States; but this deduction shall be allowed in the case of a taxpayer who does not signify in his return his desire to have to any extent the benefits of section 131 (relating to credit for taxes of foreign countries and possessions of the United States);

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SEC. 31. TAXES OF FOREIGN COUNTRIES AND POSSESSIONS OF THE UNITED STATES.

The amount of income, war-profits, and excess-profits taxes imposed by foreign countries or possessions of the United States shall be allowed as a credit against the tax, to the extent provided in section 131.

SEC. 131. TAXES OF FOREIGN COUNTRIES AND POSSESSIONS OF UNITED STATES.

(a) *Allowance of Credit.*—If the taxpayer signifies in his return his desire to have the benefits of this section, the tax imposed by this title shall be credited with:

(1) *Citizen and Domestic Corporation.*—In the case of a citizen of the United States and of a domestic corporation, the amount of any income, war-profits, and excess-profits taxes paid or accrued during the taxable year to any foreign country or to any possession of the United States; * * *

Quebec Mining Act R. S. (1909), 2098:

DIVISION I

DECLARATORY AND INTERPRETATIVE

16. The word "output" includes the mineral-bearing substances coming from the mine such as those sold, removed or placed upon the market, including therein those treated or partially treated at any smelter or mill forming part of the works.

17. The words "gross value of the year's output" mean the real value of the ore and minerals at the ruling market prices at the time of their sale or of their use, and, in case of doubt, the representatives of the Department of Colonization, Mines and Fisheries may themselves make an estimate of the value of the ores or minerals sold, utilized or shipped by the operators, and such estimate shall be final to establish the gross value; * * *

DIVISION III

DUTIES ON MINES

11. There shall be paid to the Crown, at the time and in the manner hereinafter provided, the duties imposed by this division.

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R. S. (1909), 2105, 15 Geo. V, ch. 37, Section 2, as amended by 25-26 Geo. V (1935), ch. 41, Section 1.

12. 1. From and after the 1st of January, 1935, every mine in the Province of Quebec shall be liable for, and the owner, manager, holder, lessee, occupant or operator of the mine shall pay, the following duties:

a. Upon annual profits in excess of \$10,000.00 up to \$1,000,000.00 * * * 4% ;

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R. S. (1909), 2105 (a), 15 Geo. V, ch. 37, Section 2.

13. The annual profits shall be ascertained and fixed in the following manner:

From the gross value of the year's output, sold, utilized or shipped during the year there shall be deducted the costs of operation and expenses incurred during the year in question, to wit:

(1) The cost of transportation of the output of the mine, if such cost is borne by the operator, owner, occupant or lessee;

(2) The working expenses of the mine, including the salaries and the wages of the workmen and employees of the mine, mills and plant, but exclusive of other salaries or wages;

(3) The cost of the necessary power and light for the operation of the mine, mills and plant;

(4) The cost of explosives, fuel and any other supplies used in the mining operations and in the treatment of the minerals by the operator;

(5) The cost of insurance upon the equipment, the buildings at the mine and the stock in storage;

(6) An annual amount, based upon the probable annual average cost of repairs and renewals necessary to maintain opera-

tions in a condition of efficiency, to cover the depreciation due to ordinary wear and tear of the buildings and equipment, provided, however, that such amount shall not exceed fifteen percent of the value of same at the commencement of the year, as appraised by an assessor appointed by the Minister;

(7) The cost of work performed during the year in sinking shafts, making excavations and workings and trenching, in or upon the mining property, with a view to opening up or testing for minerals. R. S. (1909), 2105 (b), 15 Geo. V, ch. 37, Section 2.

14. No allowance or deduction shall be made for the cost of new installations or new buildings made or erected during the year, nor for depreciation in the value of the mine, by reason of exhaustion or partial exhaustion of minerals, due to the mining thereof. R. S. (1909), 2105 (c), 15 Geo. V, ch. 37, Section 2.

15. (1) On or before the 1st of March, in each year, every owner, manager, holder, lessee, occupant or operator, liable for the aforesaid duties, shall send to the Minister a sworn statement, furnishing the details hereinafter enumerated, for the year ending on the 31st of December last preceding, to wit:

a. * * *

b. * * *

c. The quantity of minerals and mineral-bearing substances sent from or treated on the mining premises during the year ending on the 31st of December last preceding;

d. The name or names of the smelter or mill and locality, where the minerals or mineral-bearing substances were treated;

e. The cost per ton for transportation of minerals or mineral-bearing substances to the smelter, refinery or mill, as well as the expenses incurred for effecting the sale thereof;

f. The cost per ton for smelter or mill charges, and by whom paid or borne;

g. The quantity of minerals and mineral-bearing substances treated on the mining premises during the year;

h. The gross value, at the mine, of the minerals and mineral-bearing substances produced;

i. The value of the minerals and mineral-bearing substances sold, after deducting the charges for effecting the sale thereof and for transportation and treatment;

j. The value of minerals and mineral-bearing substances treated on the the mining premises.

Such statement shall also indicate in other columns the various costs and expenses which are allowed to be deducted under section 13 so as to show the total receipts for the year's output, the total amount of expenses to be deducted, and the total amount of profits for the year.

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(3) * * * * R. S. (1909), 2105 (d), 15
Geo. V., ch. 37, Section 2.

17. The Minister may, when there is occasion therefor, appoint one or more employees who shall be considered as officers of the Department of Colonization, Mines and Fisheries, and it shall be their duty, subject to the direction of the Minister, to prepare annually, or oftener if so required, lists and descriptions of, and to ascertain and report the facts and particulars concerning all the mines, mining rights and mining properties, liable or which might

become liable to the duties upon mines imposed under this division, which lists and descriptions must contain all the facts and particulars respecting such mines, and to furnish copies thereof to the Department of Colonization, Mines and Fisheries, and to make such investigations and perform such duties as may be assigned by the Minister as provided under this division. R. S. (1909), 2105 (f), 15 Geo. V, ch. 37, Section 2.

18. It shall be at all times lawful for any such officer to enter upon mining premises for the purpose of making inquiries, obtaining particulars or information, and for performing the duties assigned to him under this division, and, for any of such purposes, he shall be authorized to examine the pits and excavations, and to use all tackle, machinery and other things appertaining to the mine as he shall deem necessary or expedient, and he shall have free ingress to and egress from all buildings, erections and storehouses used in connection with the operations and works, and he shall, as he may deem expedient, be allowed to take therefrom such samples or specimens as he may think necessary for the purpose of determining by assay or otherwise the value of the ore, minerals or mineral-bearing substances being taken therefrom or any product thereof; and he shall have full and complete access to all books of account and correspondence kept, or used for or in connection with the business of such mine, and may examine the same and take copies thereof or extracts therefrom; but no information of a private or confidential nature, acquired by such officer under the provisions of this division, shall be com-

municated or disclosed to anyone except insofar as may be necessary for the purposes of this division. R. S. (1909), 1205 (g), 15 Geo. V, ch. 37, Section 2.

19. After the receipt by the Minister of the returns and statements mentioned in section 15, the inspector of mines shall prepare a list showing all the mines and persons liable for the duties, the quantity and value of the output of each mine or smelter, the amount of deductions therefrom as operating expenses, the amount of the profits liable for the duties, and the amount of the duties payable by each person; and a notice thereof shall be given to such person at least fifteen days before the date fixed for payment. R. S. (1909), 2105 (h), 15 Geo. V, ch. 37, Section 2.